



## DEPARTMENT OF COMMERCE

### International Trade Administration

[A-570-090]

#### Certain Steel Wheels 12 to 16.5 inches in Diameter from the People's Republic of China:

#### Notice of Court Decision Not in Harmony with the Final Determination of Antidumping

#### Investigation and Notice of Amended Final Antidumping Determination

**AGENCY:** Enforcement and Compliance, International Trade Administration, Department of Commerce.

**SUMMARY:** On November 18, 2021, the U.S. Court of International Trade (CIT) issued its final judgment in *Trans Texas Tire, LLC and Zhejiang Jingu Company Limited v. United States*, Consol. Court No. 19-00188, Slip Op. 21-156 (CIT November 18, 2021) sustaining the Department of Commerce (Commerce)'s remand redetermination pertaining to the antidumping duty (AD) investigation of certain steel wheels 12 to 16.5 inches in diameter (certain steel wheels) from the People's Republic of China (China). Commerce is notifying the public that the CIT's final judgment is not in harmony with Commerce's final determination in that investigation, and that Commerce is amending the final determination with respect to the dumping margin assigned to entries of certain steel trailer wheels 12 to 16.5 inches in diameter coated in chrome through a Physical Vapor Deposition (PVD) process produced and/or exported from the China by Zhejiang Jingu Company Limited (Jingu), or produced by Xingmin Intelligent Transportation Systems (Group) (Xingmin Intelligent) and imported by Trans Texas Tire LLC (Trans Texas).

**DATES:** Applicable November 29, 2021.

**FOR FURTHER INFORMATION CONTACT:** Brendan Quinn, AD/CVD Operations,

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## **SUPPLEMENTARY INFORMATION:**

### Background

On July 9, 2019, Commerce published its final determination in the AD investigation of certain steel wheels China.<sup>1</sup> Commerce subsequently published the AD order on certain steel wheels from China.<sup>2</sup>

As initiated, the scope of the underlying investigation excluded “certain on the road steel wheels that are coated entirely with chrome.”<sup>3</sup> Prior to the preliminary affirmative determination in the underlying investigation, Dexstar Wheel Division of Americana Development, Inc. (the petitioner) filed additional scope comments regarding the exclusion of chrome wheels, specifically requesting that Commerce confirm that the chrome wheel exclusion did not include PVD chrome wheels.<sup>4</sup> However, due to the proximity of the date on which the petitioner’s comments (and relevant rebuttal comments) were received relative to the statutory deadline for the issuance of the *Preliminary Determination*, Commerce deferred consideration of the petitioner’s comments to the final determination.<sup>5</sup> Accordingly, the scope language in Commerce’s *Preliminary Determination* remained unchanged from that of the *Initiation Notice*

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<sup>1</sup> See *Certain Steel Trailer Wheels 12 to 16.5 Inches in Diameter from the People’s Republic of China: Final Affirmative Determination of Sales at Less Than Fair Value, and Final Affirmative Determination of Critical Circumstances*, 84 FR 32707 (July 9, 2019) (*Final Determination*).

<sup>2</sup> See *Certain Steel Trailer Wheels 12 to 16.5 Inches from the People’s Republic of China: Antidumping Duty and Countervailing Duty Orders*, 84 FR 45952 (September 3, 2019) (*Order*).

<sup>3</sup> See *Certain Steel Wheels 12 to 16.5 Inches in Diameter from the People’s Republic of China: Initiation of Less-Than-Fair-Value Investigation*, 83 FR 45095 (September 5, 2018) (*Initiation Notice*).

<sup>4</sup> See Petitioner’s Letter, “Certain Steel Wheels (12 to 16.5 Inches in Diameter) from China: Petitioner’s Clarification of the Exclusion of Chrome Wheels,” dated March 28, 2019.

<sup>5</sup> See Memorandum, “Certain Steel Wheels 12 to 16.5 Inches in Diameter from the People’s Republic of China: Preliminary Scope Decision Memorandum,” dated April 15, 2019.

with respect to the exclusion of steel wheels coated entirely with chrome, and did not explicitly address whether this exclusionary language covered PVD chrome wheels.<sup>6</sup>

Subsequent to the *Preliminary Determination*, Commerce solicited additional information with respect to this issue, and parties provided further information and argumentation in response. Commerce then evaluated the record with respect to this issue for the first time in its Final Scope Memo finding with respect to PVD chrome wheels that:

based on evidence and information in the Petition, we find that the petitioner intended the exclusion to cover electroplated chrome wheels and was not intended to cover other types of chrome-adhering processes; nor were other types of chrome adhering processes, such as PVD, considered anywhere on the record prior to the respondent party's clarification request, in which case the petitioner promptly and consistently maintained its intent with respect to the chrome exclusion language. Thus, we do not find that limiting the exclusion to electroplating expands the scope, as the exclusion was never meant to cover PVD chrome wheels and, therefore, carving out an exception for PVD wheels from the exclusion is a clarification and not an impermissible expansion of the scope.<sup>7</sup>

Accordingly, the scope of the *Final Determination* and resulting AD order provided the following with respect to chrome-coated wheels:

Excluded from this scope are the following:...(3) certain on-the-road steel wheels that are coated entirely in chrome. This exclusion is limited to chrome wheels coated entirely in chrome and produced through a chromium electroplating process, and does not extend to wheels that have been finished with other processes, including, but not limited to, Physical Vapor Deposition (PVD){.}

Further, in the Final Scope Memo, Commerce noted that “the clarification that the exclusion in the scope for chrome wheels does not cover PVD chrome wheels is a clarification, based on the petitioner’s original intent in the Petition, not an expansion of the scope. Thus, PVD chrome wheels are subject to duties from the start of suspension of liquidation, which was the preliminary determinations,” and declined to revise the scope language to specify that the

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<sup>6</sup> See *Certain Steel Wheels 12 to 16.5 Inches in Diameter from the People’s Republic of China: Preliminary Affirmative Determination of Sales at Less Than Fair Value, and Preliminary Affirmative Determination of Critical Circumstances*, 84 FR 16643 (April 22, 2019) (*Preliminary Determination*) at Appendix 1.

<sup>7</sup> See Memorandum, “Certain Steel Wheels from the People’s Republic of China: Final Scope Decision Memorandum for the Final Antidumping Duty and Countervailing Duty Determinations,” dated July 1, 2019 (Final Scope Memo) at 15.

clarification of the exclusion for chrome wheels applies only to entries following the *Final Determination*.<sup>8</sup>

Trans Texas and Jingu challenged Commerce's scope determination before the CIT, arguing that Commerce unlawfully expanded the scope of the AD investigation (and resulting order) to include PVD chrome wheels. Trans Texas and Jingu further argued that, even if the inclusion of PVD chrome wheels was lawful, Commerce erred by retroactively assessing antidumping duties on PVD chrome wheel imports back to the date of its *Preliminary Determination*.

In its *Remand Order*, the Court determined that, while Commerce adequately explained its decision to include in the final scope of the investigation steel trailer wheels coated in chrome through a PVD process, antidumping duties on PVD chrome wheels retroactively imposed back to the date of Commerce's preliminary determination were not imposed in accordance with law.<sup>9</sup> In particular, the Court held that retroactive assessment of duties back to the date of Commerce's preliminary determination was impermissible because Commerce did not provide adequate notice of the inclusion of PVD chrome wheels prior to the Final Scope Memo,<sup>10</sup> and, thus, remanded the *Final Determination* for Commerce to reformulate its instructions consistent with the *Remand Order*.<sup>11</sup>

On June 14, 2021, Commerce issued its Final Results of Redetermination, noting our intent to issue an amended final determination to clarify the date of imposition of antidumping duties to be the date of publication of the *Final Determination* and to issue instructions to U.S. Customs and Border Protection (CBP) with respect to Trans Texas and Jingu providing that entries of PVD chrome wheels entered, or withdrawn from warehouse, for consumption on or after April 22, 2019, up to and including July 8, 2019, are excluded from the scope of the

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<sup>8</sup> *Id.* at 16.

<sup>9</sup> See *Trans Texas Tire, LLC and Zhejiang Jingu Company Limited v. United States*, Consol. Court No. 19-00188, Slip Op. 21-62 (CIT May 18, 2021) (*Remand Order*) at 12 and 20.

<sup>10</sup> See Final Scope Memo.

<sup>11</sup> See *Remand Order* at 20-21.

investigation, consistent with the Court’s *Remand Order*.<sup>12</sup> These instructions give effect to the Court’s holding that “reasonably informed importers were not provided clear or meaningful notice of the inclusion of PVD chrome wheels until the publication of the Final Scope Memo.”<sup>13</sup>

On November 18, 2021, the CIT sustained Commerce’s final redetermination, and entered final judgment.<sup>14</sup>

#### Timken Notice

In its decision in *Timken*,<sup>15</sup> as clarified by *Diamond Sawblades*,<sup>16</sup> the Court of Appeals for the Federal Circuit held that, pursuant to section 516A(c) and (e) of the Tariff Act of 1930, as amended (the Act), Commerce must publish a notice of court decision that is not “in harmony” with a Commerce determination and must suspend liquidation of entries pending a “conclusive” court decision. The CIT’s November 18, 2021, judgment constitutes a final decision of the CIT that is not in harmony with Commerce’s *Final Determination*. Thus, this notice is published in fulfillment of the publication requirements of *Timken*.

#### Amended Final Determination and Liquidation of Suspended Entries

Because there is now a final court judgment, Commerce is amending its *Final Determination* with respect to the dumping margin assigned to entries of certain steel trailer wheels 12 to 16.5 inches in diameter coated in chrome through a PVD process produced and/or exported from China by Jingu, or produced by Xingmin Intelligent and imported by Trans Texas, which were entered or withdrawn from warehouse, for consumption on or after April 22, 2019 (the date of publication of the *Preliminary Determination* in the *Federal Register*), up to and including July 8, 2019 (the day before the publication of the *Final Determination* in the *Federal*

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<sup>12</sup> See Final Results of Redetermination Pursuant to Court Remand, *Trans Texas Tire, LLC and Zhejiang Jingu Company Limited v. United States*, Consol. Court No. 19-00188; Slip Op. 21-62, dated June 14, 2021 (Final Results of Redetermination).

<sup>13</sup> See *Remand Order* at 20.

<sup>14</sup> See *Trans Texas Tire, LLC and Zhejiang Jingu Company Limited v. United States*, Consol. Court No. 19-00188, Slip Op. 21-156 (CIT November 18, 2021).

<sup>15</sup> See *Timken Co. v. United States*, 893 F.2d 337 (Fed. Cir. 1990) (*Timken*).

<sup>16</sup> See *Diamond Sawblades Manufacturers Coalition v. United States*, 626 F.3d 1374 (Fed. Cir. 2010) (*Diamond Sawblades*).

*Register*), and which remained unliquidated as of the date of the relevant preliminary injunction (September 4, 2020, in the case of merchandise produced and/or exported by Jingu; and November 27, 2019, in the case of merchandise produced by Xingmin Intelligent and imported by Trans Texas).

Commerce will continue the suspension of liquidation of the subject merchandise pending the expiration of the period of appeal or, if appealed, pending a final and conclusive court decision. Specifically, we will direct CBP to suspend or continue to suspend liquidation of such entries at a zero percent cash deposit rate during the pendency of the appeals process until specific liquidation instructions are issued, and we will notify CBP that it is authorized to grant a refund of cash deposits for such entries, if requested by the importer prior to liquidation pursuant to 19 U.S.C. 1520(a)(4). In the event the Court's ruling is not appealed or, if appealed, upheld by the Court of Appeals for the Federal Circuit, Commerce will instruct CBP that entries of certain steel trailer wheels 12 to 16.5 inches in diameter coated in chrome through a PVD process, which: (a) were the subject of the *Final Determination*; (b) were produced and/or exported from China by Jingu, or were produced by Xingmin Intelligent and imported by Trans Texas; (c) were entered, or withdrawn from warehouse, for consumption on or after April 22, 2019 up to and including July 8, 2019; and (d) remain unliquidated as of September 4, 2020 (for wheels produced and/or exported from China by Jingu) or remain unliquidated as of November 27, 2019 (for wheels produced by Xingmin Intelligent Transportation Systems (Group) and imported by Trans Texas); are outside of the scope of the AD order on certain steel trailer wheels from China.

#### Notification to Interested Parties

This notice is issued and published in accordance with sections 516A(c) and (e) and 777(i)(1) of the Act.

Dated: November 24, 2021.

Ryan Majerus,  
Deputy Assistant Secretary

for Policy and Negotiations,  
Performing the Non-Exclusive Functions and Duties of The  
Assistant Secretary for Enforcement and Compliance.

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